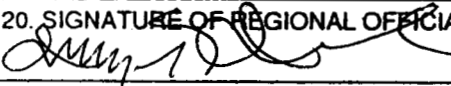


TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: <u>03-01</u>	2. STATE: Virginia
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE July 1, 2003	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 430 to end of Title 42		7. FEDERAL BUDGET IMPACT: (918,385.25) a. FFY 2004 2003 \$ 3,673,541 b. FFY 2004 \$ (2,755,155.75)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 3.1 A&B, Supplement 1 Attachment 3.1A, Supplement 2 Attachment 3.1 C (pp. 13-17) Attachment 3.2A Attachment 4.18A and 4.18C		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same pages	
10. SUBJECT OF AMENDMENT: 2003 Omnibus Regulation Changes: Increase Recipient Co-payments for Brand Name Prescriptions, Prior Authorize Outpatient Psychiatric Services, Increase Home Health Service Limits, Freeze the CPI Adjustment for Medically Needy and Standards of Income Limits through FY 2004, and Coverage of Stretcher Vans			
11. GVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Secretary of Health and Human Resources <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO: Department of Medical Assistance Services 600 East Broad Street, Suite 1300 Richmond, Virginia 23219 Attn.: Regulatory Coordinator	
13. TYPED NAME: Patrick W. Finnerty			
14. TITLE: Director, Dept. Medical Asst. Services			
15. DATE SUBMITTED:			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 8/11/03		18. DATE APPROVED: FEB 20 2004	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 7/1/03		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: MARY T. MCSORLEY		22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR DIVISION OF MEDICAID & CHILDREN'S HEALTH	
23. REMARKS:			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

INCOME ELIGIBILITY LEVELS

D. INCOME LEVELS - MEDICALLY NEEDY

Increased annually by the increase in the Consumer Price Index; however, for the Fiscal Year 2004, the income limit shall not be increased by the Consumer Price Index and shall remain at the Fiscal Year 2003 level. After June 30, 2004, the income standards shall revert back to the previous methodology in effect immediately prior to July 1, 2003.

☒ Applicable to all groups

☐ Applicable to:

(1)	(2)			(3)
Family Size	Net income level protected for maintenance			Amount by Which Column (2) exceeds limits specified in 42 CFR 435.1007 ¹
	<input type="checkbox"/> urban only			
	<input checked="" type="checkbox"/> urban & rural			
	Group I	Group II	Group III	
1	\$2691.00	\$3105.00	\$4036.50	\$ 0
2	\$3519.00	\$3824.00	\$4867.00	\$ 0
3	\$4036.50	\$4450.50	\$5485.50	\$ 0
4	\$4554.00	\$4968.00	\$6003.00	\$ 0
5	\$5071.50	\$5485.50	\$6250.50	\$ 0
6	\$5589.00	\$6003.00	\$7038.00	\$ 0
7	\$6106.50	\$6250.50	\$7555.50	\$ 0
8	\$6727.50	\$7141.50	\$8073.00	\$ 0
9	\$7348.50	\$7762.50	\$8797.50	\$ 0
10	\$8073.00	\$8487.00	\$9418.50	\$ 0
For each additional person, add:	\$ 695.52	\$ 695.52	\$ 695.52	\$ 0

*NOTE: As authorized in §4718 of OBRA '90.

TN No. 03-01
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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

INCOME ELIGIBILITY LEVELS

STANDARDS OF ASSISTANCE

Increased annually by the increase in the Consumer Price Index; however, for the Fiscal Year 2004, the income limit shall not be increased by the Consumer Price Index and shall remain at the Fiscal Year 2003 level. After June 30, 2004, the income standards shall revert back to the previous methodology in effect immediately prior to July 1, 2003.

GROUP I

<u>Size of Assistance Unit</u>	<u>Table 1 (100%)</u>	<u>Table 2 (90%)</u>
1	\$151.11	\$135.58
2	237.01	214.24
3	305.32	274.27
4	370.53	333.27
5	436.77	393.30
6	489.55	441.94
7	553.72	498.87
8	623.07	559.93
9	679.99	611.68
10	743.13	669.64
Each person above 10	63.13	57.96

MAXIMUM REIMBURSABLE PAYMENT \$403

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

INCOME ELIGIBILITY LEVELS

STANDARDS OF ASSISTANCE

Increased annually by the increase in the Consumer Price Index; however, for the Fiscal Year 2004, the income limit shall not be increased by the Consumer Price Index and shall remain at the Fiscal Year 2003 level. After June 30, 2004, the income standards shall revert back to the previous methodology in effect immediately prior to July 1, 2003.

GROUP II

<u>Size of Assistance Unit</u>	<u>Table 1 (100%)</u>	<u>Table 2 (90%)</u>
1	\$180.09174	162.49
2	265.99	239.08
3	333.27	301.18
4	399.51	359.14
5	472.99	423.35
6	526.81	474.03
7	589.95	529.92
8	658.26	592.02
9	716.22	644.80
10	780.39	701.73
Each person above 10	63.13	57.96

MAXIMUM REIMBURSABLE PAYMENT \$435

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

INCOME ELIGIBILITY LEVELS

STANDARDS OF ASSISTANCE

Increased annually by the increase in the Consumer Price Index; however, for the Fiscal Year 2004, the income limit shall not be increased by the Consumer Price Index and shall remain at the Fiscal Year 2003 level. After June 30, 2004, the income standards shall revert back to the previous methodology in effect immediately prior to July 1, 2003.

GROUP III

<u>Size of Assistance Unit</u>	<u>Table 1 (100%)</u>	<u>Table 2 (90%)</u>
1	\$251.50	\$227.70
2	338.44	304.29
3	406.75	366.39
4	472.99	424.35
5	560.97	505.08
6	613.75	552.69
7	677.92	610.65
8	745.23	672.75
9	806.26	725.53
10	868.33	781.42
Each person above 10	63.13	57.96

MAXIMUM REIMBURSABLE PAYMENT \$518

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

A. The State covers low-income families and children under Section 1931 of the Act.

The following groups were included in the AFDC State Plan effective July 16, 1996:

- ☐ Pregnant women with no other eligible children.
- ☒ AFDC children age 18 who are full-time students in a secondary school or in the equivalent level of vocational or technical training.

B. ☒ In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, without modification, for individuals who do not receive TANF benefits.

C. ☒ In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, with the following modifications.

☐ The agency applies lower income standards which are no lower than the AFDC standards in effect on May 1, 1988m as follows:

☒ The agency applies higher income standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI since July 16, 1996, as follows:

The agency increases the July 16, 1996, income standards shown on page 1 of Supplement 1 (12 VAC 30-40-220) by the annual increase in the CPI beginning July 1, 2001. However, for the Fiscal Year 2004, the income limit shall not be increased by the Consumer Price Index and shall remain at the Fiscal Year 2003 level. After June 30, 2004, the income standards shall revert back to the previous methodology in effect immediately prior to July 1, 2003

☐ The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

CASE MANAGEMENT SERVICES

12 VAC 30-50-460

§6. Case Management for the Elderly.

REPEALED

(Editor's note: The next page is 26 of 30)

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TN No. 92-03

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

NARRATIVE FOR THE AMOUNT, DURATION AND SCOPE OF SERVICES

12 VAC 30-50-140. Physician's services whether furnished in the office, the patient's home, a hospital, a skilled nursing facility or elsewhere.

- A. Elective surgery as defined by the Program is surgery that is not medically necessary to restore or materially improve a body function.
- B. Cosmetic surgical procedures are not covered unless performed for physiological reasons and require Program prior approval.
- C. Routine physicals and immunizations are not covered except when the services are provided under the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program and when a well child examination is performed in a private physician's office for a foster child of the local social services department on specific referral from those departments.
- D. Outpatient Psychiatric services.
 - 1. Psychiatric services are limited to an initial availability of 5 sessions, without prior authorization during the first treatment year. An additional extension of up to 47 sessions during the first treatment year must be prior authorized by DMAS. The availability is further restricted to no more than 26 sessions each succeeding year when prior authorized by DMAS. Psychiatric services are further restricted to no more than three sessions in any given seven-day period. Consistent with the Omnibus Budget Reconciliation Act of 1989 §6403, medically necessary psychiatric services shall be covered, when prior authorized by DMAS for individuals younger than 21 years of age when the need for such services has been identified in an EPSDT screening.
 - 2. Psychiatric services can be provided by psychiatrists, or by a licensed clinical social worker, licensed professional counselor, or licensed clinical nurse specialist-psychiatric under the direct supervision of a psychiatrist.*
 - 3. Psychological and psychiatric services shall be medically prescribed treatment which is directly and specifically related to an active written plan designed and signature-dated by either a psychiatrist or a licensed clinical social worker or licensed professional counselor or licensed clinical nurse specialist-psychiatric under the direct supervision of a psychiatrist.*

*Licensed clinical social workers, licensed professional counselors, and licensed clinical-nurse specialist-psychiatric may also directly enroll or be supervised by psychologists as provided for in 12 VAC 30-50-150.

- 4. Psychological or psychiatric services shall be considered appropriate when an

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

NARRATIVE FOR THE AMOUNT, DURATION AND SCOPE OF SERVICES

individual meets the following criteria:

- a. Requires treatment in order to sustain behavioral or emotional gains or to restore cognitive functional levels which have been impaired.
 - b. Exhibits deficits in peer relations, dealing with authority; is hyperactive; has poor impulse control; is clinically depressed or demonstrates other dysfunctional clinical symptoms having an adverse impact on attention and concentration, ability to learn, and/or ability to participate in employment, educational, or social activities;
 - c. Is at risk for developing or requires treatment for maladaptive coping strategies; and
 - d. Presents a reduction in individual adaptive and coping mechanisms or demonstrates extreme increase in personal distress.
5. Psychological or psychiatric services may be provided in an office or mental health clinic.
- E. Any procedure considered experimental is not covered.
- F. Reimbursement for induced abortions is provided in only those cases in which there would be a substantial endangerment of health or life to the mother if the fetus were carried to term.
- G. Physician visits to inpatient hospital patients, over the age of 21, are limited to a maximum of

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

NARRATIVE FOR THE AMOUNT, DURATION AND SCOPE OF SERVICES

D. Other practitioners' services: psychological services, psychotherapy. Limits and requirements for covered services are found under Psychiatric Services (*see* 12VAC30-50-140 D).

1. These limitations apply to psychotherapy sessions provided, within the scope of their licenses, by licensed clinical psychologists or licensed clinical social workers/licensed professional counselors/licensed clinical nurse specialists-psychiatric who are either independently enrolled or under the direct supervision of a licensed clinical psychologist. Psychiatric services are limited to an initial availability of 5 sessions without prior authorization. An additional extension of up to 47 sessions during the first year of treatment must be prior authorized by DMAS. The availability is further restricted to no more than 26 sessions each succeeding treatment year when prior authorized by DMAS. Psychiatric services are further restricted to no more than three sessions in any given seven-day period.

2. Psychological testing is covered when provided, within the scope of their license, by licensed clinical psychologists or licensed clinical social workers/licensed professional counselors/licensed clinical nurse specialist-psychiatric who are either independently enrolled or under the direct supervision of a licensed clinical psychologist.

7. 12 VAC 30-50-160 Home Health services.

A. Service must be ordered or prescribed and directed or performed within the scope of a license of a practitioner of the healing arts. Home health services shall be provided in accordance with guidelines found in the Virginia Medicaid Home Health Manual.

B. Nursing services provided by a home health agency.

1. Intermittent or part-time nursing service provided by a home health agency or by a registered nurse when no home health agency exists in the area.

2. Patients may receive up to five visits by a licensed nurse annually. Limits are per recipient, regardless of the number of providers rendering services. Annually shall be defined as July 1 through June 30 for each recipient. If services beyond these limitations are determined by the physician to be required, then the provider shall request prior authorization from DMAS for additional services. Payment shall not be made for additional services unless authorized by DMAS.

C. Home health aide services provided by a home health agency.

1. Home Health Aides must function under the supervision of a registered nurse.

2. Home Health Aides must meet the certification requirements specified in 42 CFR 484.36.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

NARRATIVE FOR THE AMOUNT, DURATION AND SCOPE OF SERVICES

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3. For home health aide services, patients may receive up to 32 visits annually. Limits shall be per recipient, regardless of the number of providers rendering services. Annually shall be defined as July 1 through June 30 for each recipient.
- D. Physical therapy, occupational therapy, or speech pathology and audiology services provided by a home health agency or medical rehabilitation facility.
1. Service covered only as part of a physician's plan of care.
2. Patients may receive up to five visits for each rehabilitative therapy service ordered annually without authorization. Limits shall apply per recipient regardless of the number of providers rendering services. Annually shall be defined as July 1 through June 30 for each recipient. If services beyond these limitations are determined by the physician to be required, then the provider shall request prior authorization from DMAS for additional services.
- E. The following services are not covered under the home health services program:
1. Medical social services;
2. Services or items which would not be paid for if provided to an inpatient of a hospital, such as private-duty nursing services, or items of comfort which have no medical necessity, such as television;
3. Community food service delivery arrangements;
4. Domestic or housekeeping services which are unrelated to patient care and which materially increase the time spent on a visit;
5. Custodial care which is patient care that primarily requires protective services rather than definitive medical and skilled nursing care; and
6. Services related to cosmetic surgery.

§7.5. Durable medical equipment (DME) and supplies suitable for use in the home.

A. General requirements and conditions.

1. All medically necessary medical supplies and equipment shall be covered. Unusual amounts, types, and duration of usage must be authorized by DMAS in accordance with published policies and procedures. When determined to be cost-effective by DMAS, payment may be made for rental of the equipment in lieu of purchase.
2. DME providers shall adhere to all applicable DMAS' policies, laws, and regulations for durable medical equipment and supplies. DME providers shall also comply with all other applicable Virginia laws and regulations requiring licensing, registration, or permitting. Failure to comply with such laws and regulations shall result in denial of coverage for durable medical equipment or supplies that are regulated by such licensing agency or agencies.

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